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## PERSONAL FINANCE

# Canadian snowbirds in flux as insurance firms deny them COVID coverage — but there is a solution

By **Elaine Smith** Special to the Star

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“I really enjoy it,” said Bartlett. “Some of my best friends are there now. I can’t think of not going but, this winter, we may be stuck here.”

Bartlett and her husband aren’t the only Canadians whose travel plans have been thrown into disarray by [COVID-19](#). Many Canadian snowbirds — retirees who spend their winters in warmer climates — are concerned about travelling south, especially to the United States.

A May 17 Ipsos poll indicated that only 20 per cent of Canadians anticipate travelling outside Canada in 2020; 50 per cent would not be at all likely to do so.

Undoubtedly, they are influenced by Global Affairs Canada’s ongoing COVID-19 travel advisory, recommending that Canadians “avoid all non-essential travel outside Canada and to avoid all cruise ship travel until further notice.” The ban has meant that Canadian insurers are not issuing travel health insurance for people who ignore the advisory, putting snowbirds at risk for health expenses related to COVID-19 and other ailments.

“We contacted an insurance broker and he said no, that as long as the travel advisory is in effect, non-essential travel won’t be covered by insurance,” said Bartlett. “It would be irresponsible to go to St. Lucia without insurance. It would be like driving a car without auto insurance.”

TD Insurance says on its website that people who contract the coronavirus won’t be covered for any claim “while this non-essential travel advisory remains in place.” Manulife Insurance advises customers that any policy issued after March 5, 2020 will not cover COVID-19. For policies that extend into the future, “your coverage remains in place for its full duration as per the policy terms and conditions” — which means it’s unlikely that COVID-19 will be [covered](#).

Snowbirds generally rely on individual travel insurance plans. For group insurance plans, members must contact their providers about what is covered and what will be covered in the future, if that has been decided.

At present, most Canadian insurers are no longer selling individual travel insurance because most policies have a clause that points directly to the government and the threat level in place. In fact, said Joan Weir, director of health and disability policy for the Canadian Life and Health Insurance Association, even once travel restrictions are loosened and Canadian insurers are offering travel policies again, “it’s likely that COVID-19 coverage won’t be included in the benefits.”

The association, which represents 99 per cent of Canadian travel insurers, works closely with Global Affairs Canada. Weir said her sense is that “the government will take a very conservative and orderly approach to lowering the threat level for travel. Travel will probably not be allowed to every country at once; the government will evaluate each country separately.”

Jana Ray, chief membership and benefits officer for CARP, the advocacy organization for older Canadians, says it's not surprising that Canadian insurers are hesitant to sell travel insurance.

"Cases are so high in parts of the United States right now that I can't imagine insurers are ready to offer coverage at this time," she said. "Currently insurers are taking it day by day and anticipating a second wave, so things are up in the air."

Snowbirds can take heart, however: there are U.S. insurers offering visitors coverage that includes COVID-19.

"For some companies, the claims risk is considered lower than the premiums they would lose if they didn't offer COVID-19 coverage," said Narendra Khatri, chief executive officer of Texas-based Insubuy, a brokerage that offers policies to travellers outside their home countries.

Insubuy currently offers COVID-inclusive policies underwritten by Crum & Forster to Canadians travelling to the United States, the Caribbean or other countries; the policies are available for people up to age 89.

They cover travellers for up to \$100,000 in medical expenses. A six-month policy for a 70-year-old would cost \$250 (U.S.); age determines the cost of coverage, rather than pre-existing conditions, Khatri noted.

As of July 15, Lloyd's of London will also offer travel insurance that includes COVID-19 coverage.

As fall approaches, Khatri expects business to boom, especially if Canadian insurers still aren't offering coverage.

"Just last week, we had several Canadian brokers sign up with us," he said. "People understand the importance of travel insurance, especially because there is no universal health care here."

However, Ray urges snowbirds to think twice before they jump at U.S. coverage.

"If you have co-morbidities, such as heart issues, you should consider your travel options very carefully," Ray said. "We don't want people to be underinsured. When you talk about respirators and heart conditions, you could go through \$50,000 in coverage in a week, no problem."

Nonetheless, the availability of coverage offers a glimmer of hope to snowbirds like Bartlett.

"It's not just the money we bring to foreign economies," said Bartlett. "Many snowbirds do a lot of great things in our adopted communities. All of those things will be lost if we can't travel this winter."

#### **Before you travel this winter:**

- Visit the Government of Canada's travel website at <https://travel.gc.ca/travelling/advisories> for travel advice and advisories.
- Check with your insurer to see if your travel insurance includes treatment related to COVID-19 outside Canada.
- Consider "cancel for any reason" trip cancellation coverage that is more flexible but may be more expensive.
- Remember that there are new health requirements to meet when boarding your flight. Trip cancellation insurance is not intended to pay expenses if denied boarding.
- Understand that trip cancellation insurance requires that any compensation provided by the travel supplier, including vouchers for credit, is generally deducted from the amount eligible for reimbursement.
- Know the entry requirements for the country to which you are travelling and follow their directions (e.g. 14-day quarantine, COVID-19 test at destination or before boarding the plane).
- Be aware that if you need to return to Canada for medical care your options may be limited due to decreased availability of flights.
- Make sure that you have travel insurance coverage for your entire trip as some insurers may limit options to extend policies after departure.
- Be prepared to return to Canada quickly should the government of Canada raise the travel advisory level again. Your travel insurance benefits may be limited.
- Understand that when you return to Canada, you will be subject to federal and provincial or territorial government requirements regarding quarantine, testing and exposure tracking.

*Source: Canadian Life and Health Insurance Association*

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